

Statutes Related to the Uninsured Motorist Identification Database Program

(OLRGC - - 6/12/18)

41-12a-802. Definitions.

As used in this part:

- (1) "Account" means the Uninsured Motorist Identification Restricted Account created in Section 41-12a-806.
- (2) "Database" means the Uninsured Motorist Identification Database created in Section 41-12a-803.
- (3) "Designated agent" means the third party the department contracts with under Section 41-12a-803.
- (4) "Division" means the Driver License Division created in Section 53-3-103.
- (5) "Motor vehicle" has the same meaning as set forth in Section 41-1a-102.
- (6) "Motor Vehicle Division" means the Motor Vehicle Division of the State Tax Commission created in Section 41-1a-106.
- (7) "Program" means the Uninsured Motorist Identification Database Program created in Section 41-12a-803.

41-12a-803. Program creation -- Administration -- Selection of designated agent - Duties -- Rulemaking -- Audits.

- (1) There is created the Uninsured Motorist Identification Database Program to:
 - (a) establish an Uninsured Motorist Identification Database to verify compliance with motor vehicle owner's or operator's security requirements under Section 41-12a-301 and other provisions under this part;
 - (b) assist in reducing the number of uninsured motor vehicles on the highways of the state;
 - (c) assist in increasing compliance with motor vehicle registration and sales and use tax laws;

(d) assist in protecting a financial institution's bona fide security interest in a motor vehicle;
and

(e) assist in the identification and prevention of identity theft and other crimes.

(2) The program shall be administered by the department with the assistance of the designated agent and the Motor Vehicle Division.

(3)(a) The department shall contract in accordance with Title 63G, Chapter 6a, Utah Procurement Code, with a third party to establish and maintain an Uninsured Motorist Identification Database for the purposes established under this part.

(b) The contract may not obligate the department to pay the third party more money than is available in the account.

(4)(a) The third party under contract under this section is the department's designated agent, and shall develop and maintain a computer database from the information provided by:

(i) **insurers** under Section 31A-22-315;

(ii) **the division** under Subsection (6); and

(iii) **the Motor Vehicle Division** under Section 41-1a-120.

(b)(i) The database shall be developed and maintained in accordance with guidelines established by the department so that state and local law enforcement agencies and financial institutions as defined in Section 7-1-103 can efficiently access the records of the database, including reports useful for the implementation of the provisions of this part.

(ii)(A) The reports shall be in a form and contain information approved by the department.

(B) The reports may be made available through the Internet or through other electronic medium, if the department determines that sufficient security is provided to ensure compliance with Section 41-12a-805 regarding limitations on disclosure of information in the database.

(5) With information provided by the department and the Motor Vehicle Division, the designated agent shall, at least monthly for submissions under Subsection 31A-22-315(2)(b) or at least twice a month for submissions under Subsection 31A-22-315(2)(a):

(a) update the database with the motor vehicle insurance information provided by the insurers in accordance with Section 31A-22-315; and

(b) compare all current motor vehicle registrations against the database.

(6) The division shall provide the designated agent with the name, date of birth, address, and driver license number of all persons on the driver license database.

(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules and develop procedures in cooperation with the Motor Vehicle Division to use the database for the purpose of administering and enforcing this part.

(8)(a) The designated agent shall archive computer data files at least semi-annually for auditing purposes.

(b) The internal audit unit of the tax commission provided under Section 59-1-206 shall audit the program at least every three years.

(c) The audit under Subsection (8)(b) shall include verification of:

(i) billings made by the designated agent; and

(ii) the accuracy of the designated agent's matching of vehicle registration with insurance data.

(9) Upon request, the designated agent shall make available the information provided by insurers under Section 31A-22-315.5 to:

(a) state and local law enforcement agencies; and

(b) financial institutions as defined in Section 7-1-103.

41-12a-804. Notice -- Proof -- Revocation of registration -- False statements -- Penalties -- Exemptions -- Sales tax enforcement.

(1) **If the comparison under Section 41-12a-803 shows that a motor vehicle is not insured for three consecutive months, the Motor Vehicle Division shall direct that the designated agent provide notice to the owner of the motor vehicle that the owner has 15 days to provide:**

(a) **proof of owner's or operator's security** in a form allowed under Subsection 41-12a-303.2(2); or

(b) **proof of exemption** from the owner's or operator's security requirements.

(2) **If an owner of a motor vehicle fails to provide satisfactory proof of owner's or operator's security to the designated agent, the designated agent shall:**

(a) **provide a second notice** to the owner of the motor vehicle that the owner now has 15 days to provide:

(i) **proof of owner's or operator's security** in a form allowed under Subsection 41-12a-303.2(2); or

(ii) **proof of exemption** from the owner's or operator's security requirements;

(b) for each notice provided, **indicate information relating to the owner's failure to provide** proof of owner's or operator's security in the database; and

(c) **provide this information to state and local law enforcement agencies as requested** in accordance with the provisions under Section 41-12a-805.

(3) The **Motor Vehicle Division**:

(a) **shall revoke the registration upon receiving notification under Subsection 41-1a-110(2)**;

(b) shall provide appropriate notices of the revocation, the legal consequences of operating a vehicle with revoked registration and without owner's or operator's security, and instructions on how to get the registration reinstated; and

(c) may direct the designated agent to provide the notices under this Subsection (3).

(4) Any action by the Motor Vehicle Division to revoke the registration of a motor vehicle under this section may be in addition to an action by a law enforcement agency to impose the penalties under Section 41-12a-302 or 41-12a-303.2.

(5)(a) A person may not provide a false or fraudulent statement to the Motor Vehicle Division or designated agent.

(b) In addition to any other penalties, a person who violates Subsection (5)(a) is guilty of a class B misdemeanor.

(6) The department and the Motor Vehicle Division shall direct the designated agent to exempt from this section a farm truck that:

(a) meets the definition of a farm truck under Section 41-1a-102; and

(b) is registered as a farm truck under Title 41, Chapter 1a, Motor Vehicle Act.

(7) This part does not affect other actions or penalties that may be taken or imposed for violation of the owner's and operator's security requirements of this chapter.

(8) If a comparison under Section 41-12a-803 shows that a motor vehicle may not be in compliance with motor vehicle registration or sales and use tax laws, the Motor Vehicle Division may direct that the designated agent provide notice to the owner of a motor vehicle that information exists which indicates the possible violation.

41-12a-805. Disclosure of insurance information -- Penalty.

- (1) Information in the database established under Section 41-12a-803 provided by a person to the designated agent is considered to be the property of the person providing the information.
- (2) The information may not be disclosed from the database under Title 63G, Chapter 2, Government Records Access and Management Act, or otherwise, except as follows:
 - (a) for the purpose of investigating, litigating, or enforcing the owner's or operator's security requirement under Section 41-12a-301, the designated agent shall verify insurance information through the state computer network for a state or local government agency or court;
 - (b) for the purpose of investigating, litigating, or enforcing the owner's or operator's security requirement under Section 41-12a-301, the designated agent shall, upon request, issue to any state or local government agency or court a certificate documenting the insurance information, according to the database, of a specific individual or motor vehicle for the time period designated by the government agency;
 - (c) upon request, the department or its designated agent shall disclose whether or not a person is an insured individual and the insurance company name to:
 - (i) that individual or, if that individual is deceased, any interested person of that individual, as defined in Section 75-1-201;
 - (ii) the parent or legal guardian of that individual if the individual is an unemancipated minor;
 - (iii) the legal guardian of that individual if the individual is legally incapacitated;
 - (iv) a person who has power of attorney from the insured individual;
 - (v) a person who submits a notarized release from the insured individual dated no more than 90 days before the date the request is made; or
 - (vi) a person suffering loss or injury in a motor vehicle accident in which the insured individual is involved, but only as part of an accident report as authorized in Section 41-12a-202;
 - (d) for the purpose of investigating, enforcing, or prosecuting laws or issuing citations by state or local law enforcement agencies related to the:
 - (i) registration and renewal of registration of a motor vehicle under Title 41, Chapter 1a, Motor Vehicle Act;
 - (ii) purchase of a motor vehicle under Title 59, Chapter 12, Sales and Use Tax Act; and
 - (iii) owner's or operator's security requirements under Section 41-12a-301;

- (e) upon request of a peace officer acting in an official capacity under the provisions of Subsection (2)(d), the department or the designated agent shall, upon request, disclose relevant information for investigation, enforcement, or prosecution;
 - (f) for the purpose of the state auditor, the legislative auditor general, or other auditor of the state conducting audits of the program;
 - (g) upon request of a financial institution as defined under Section 7-1-103 for the purpose of protecting the financial institution's bona fide security interest in a motor vehicle; and
 - (h) upon the request of a state or local law enforcement agency for the purpose of investigating and prosecuting identity theft and other crimes.
- (3)(a) The department may allow the designated agent to prepare and deliver upon request, a report on the insurance information of a person or motor vehicle in accordance with this section.
- (b) The report may be in the form of:
- (i) a certified copy that is considered admissible in any court proceeding in the same manner as the original; or
 - (ii) information accessible through the Internet or through other electronic medium if the department determines that sufficient security is provided to ensure compliance with this section.
- (c) The department may allow the designated agent to charge a fee established by the department under Section 63J-1-504 for each:
- (i) document authenticated, including each certified copy;
 - (ii) record accessed by the Internet or by other electronic medium; and
 - (iii) record provided to a financial institution under Subsection (2)(g).
- (4) A person who knowingly releases or discloses information from the database for a purpose other than those authorized in this section or to a person who is not entitled to it is guilty of a third degree felony.
- (5) An insurer is not liable to any person for complying with Sections 31A-22-315 and 31A-22-315.5 by providing information to the designated agent.
- (6) Neither the state nor the department's designated agent is liable to any person for gathering, managing, or using the information in the database as provided in Sections 31A-22-315 and 31A-22-315.5 and this part.

41-12a-806. Restricted account -- Creation -- Funding -- Interest -- Purposes.

- (1) There is created within the Transportation Fund a restricted account known as the "Uninsured Motorist Identification Restricted Account."
- (2) The account consists of money generated from the following revenue sources:
 - (a) money received by the state under Section 41-1a-1218, the uninsured motorist identification fee;
 - (b) money received by the state under Section 41-1a-1220, the registration reinstatement fee; and
 - (c) appropriations made to the account by the Legislature.
- (3)
 - (a) The account shall earn interest.
 - (b) All interest earned on account money shall be deposited into the account.
- (4) **The Legislature shall appropriate money from the account to:**
 - (a) the department to fund the contract with the designated agent;
 - (b) the department to offset the costs to state and local law enforcement agencies of using the information for the purposes authorized under this part;
 - (c) the Tax Commission to offset the costs to the Motor Vehicle Division for revoking and reinstating vehicle registrations under Subsection 41-1a-110(2)(a)(ii); and
 - (d) **the department to reimburse a person for the costs of towing and storing the person's vehicle if:**
 - (i) **the person's vehicle was impounded in accordance with Subsection 41-1a-1101(2);**
 - (ii) **the impounded vehicle had owner's or operator's security in effect for the vehicle at the time of the impoundment;**
 - (iii) **the database indicated that owner's or operator's security was not in effect for the impounded vehicle; and**
 - (iv) **the department determines that the person's vehicle was wrongfully impounded.**
- (5) The Legislature may appropriate not more than \$500,000 annually from the account to the Peace Officer Standards and Training Division, created under Section 53-6-103, for use in law enforcement training, including training on the use of the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program.

(6)(a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures Act, **the department shall hold a hearing to determine whether a person's vehicle was wrongfully impounded under Subsection 41-1a-1101(2).**

(b) **In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall make rules establishing procedures for a person to apply for a reimbursement under Subsection (4)(d).**

(c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the person applies for the reimbursement within six months from the date that the motor vehicle was impounded.

41-12a-301. Definition -- Requirement of owner's or operator's security -- Exceptions.

(1) As used in this section:

(a) "highway" has the same meaning as provided in Section 41-1a-102; and

(b) "quasi-public road or parking area" has the same meaning as provided in Section 41-6a-214.

(2) Except as provided in Subsection (5):

(a) every resident owner of a motor vehicle shall maintain owner's or operator's security in effect at any time that the motor vehicle is operated on a highway or on a quasi-public road or parking area within the state; and

(b) every nonresident owner of a motor vehicle that has been physically present in this state for:

(i) 90 or fewer days during the preceding 365 days shall maintain the type and amount of owner's or operator's security required in his place of residence, in effect continuously throughout the period the motor vehicle remains within Utah; or

(ii) more than 90 days during the preceding 365 days shall thereafter maintain owner's or operator's security in effect continuously throughout the period the motor vehicle remains within Utah.

(3)(a) Except as provided in Subsection (5), the state and all of its political subdivisions and their respective departments, institutions, or agencies shall maintain owner's or operator's security in effect continuously for their motor vehicles.

(b) Any other state is considered a nonresident owner of its motor vehicles and is subject to Subsection (2)(b).

- (4) The United States, any political subdivision of it, or any of its agencies may maintain owner's or operator's security in effect for their motor vehicles.
- (5) Owner's or operator's security is not required for any of the following:
 - (a) off-highway vehicles registered under Section 41-22-3 when operated either:
 - (i) on a highway designated as open for off-highway vehicle use; or
 - (ii) in the manner prescribed by Subsections 41-22-10.3(1) through (3);
 - (b) off-highway implements of husbandry operated in the manner prescribed by Subsections 41-22-5.5(3) through (5);
 - (c) electric assisted bicycles as defined under Section 41-6a-102;
 - (d) motor assisted scooters as defined under Section 41-6a-102;
 - (e) electric personal assistive mobility devices as defined under Section 41-6a-102; or
 - (f) a school district, for a school bus that the school district authorizes a state entity or political subdivision of the state to use.
- (6) If a school district authorizes a state entity or political subdivision of the state to use a school bus:
 - (a) the state entity or political subdivision shall maintain owner's or operator's security during the term of the school bus use in an amount that is greater than or equal to any governmental immunity liability limit;
 - (b) the state entity or the political subdivision shall indemnify and defend the school district for any claim that arises from the school bus use including a claim directed at the school district, unless the claim arises from the sole negligence of the school district; and
 - (c) if the school district maintains owner's or operator's security for the school bus during the term of school bus use, the owner's and operator's security maintained by the state entity or political subdivision of the state is primary to the owner's and operator's security maintained by the school district.

Additional Database Program-related Statutes

31A-22-315. Motor vehicle insurance reporting -- Penalty.

(1)(a) As used in this section, "commercial motor vehicle insurance coverage" means an insurance policy that:

(i) includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage; and

(ii) is defined by the department.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make rules defining commercial motor vehicle insurance coverage.

(2)(a) Except as provided in Subsections (2)(b) and (c), each insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage under this part shall before the seventh and twenty-first day of each calendar month provide to the Department of Public Safety's designated agent selected in accordance with Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, a record of each motor vehicle insurance policy in effect for vehicles registered or garaged in Utah as of the previous submission that was issued by the insurer.

(b) Each insurer that issues commercial motor vehicle insurance coverage shall before the seventh day of each calendar month provide to the Department of Public Safety's designated agent selected in accordance with Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, a record of each commercial motor vehicle insurance policy in effect for vehicles registered or garaged in Utah as of the previous month that was issued by the insurer.

(c) An insurer that issues a policy that includes motor vehicle liability coverage, uninsured motorist coverage, underinsured motorist coverage, or personal injury coverage under this part is not required to provide a record of a motor vehicle insurance policy in effect for a vehicle to the Department of Public Safety's designated agent under Subsection (2)(a) or (b) if the policy covers a vehicle that is registered under Section 41-1a-221, 41-1a-222, or 41-1a-301.

(d) This Subsection (2) does not preclude more frequent reporting.

(3)(a) A record provided by an insurer under Subsection (2)(a) shall include:

(i) the name, date of birth, and driver license number, if the insured provides a driver license number to the insurer, of each insured owner or operator, and the address of the named insured;

(ii) the make, year, and vehicle identification number of each insured vehicle; and

- (iii) the policy number, effective date, and expiration date of each policy.
- (b) A record provided by an insurer under Subsection (2)(b) shall include:
 - (i) the named insured;
 - (ii) the policy number, effective date, and expiration date of each policy; and
 - (iii) the following information, if available:
 - (A) the name, date of birth, and driver license number of each insured owner or operator, and the address of the named insured; and
 - (B) the make, year, and vehicle identification number of each insured vehicle.
- (4) Each insurer shall provide this information by an electronic means or by another form the Department of Public Safety's designated agent agrees to accept.
- (5)(a) The commissioner may, following procedures set forth in Title 63G, Chapter 4, Administrative Procedures Act, assess a fine against an insurer of up to \$250 for each day the insurer fails to comply with this section.
- (b) If an insurer shows that the failure to comply with this section was inadvertent, accidental, or the result of excusable neglect, the commissioner shall excuse the fine.

41-1a-120. Participation in Uninsured Motorist Identification Database Program.

- (1)(a) Except as provided in Subsection (1)(b), the division shall provide the Department of Public Safety's designated agent, as defined in Section 41-12a-802, with a record of all current motor vehicle registrations before the seventh and twenty-first day of each calendar month.
- (b) The division is not required to provide the Department of Public Safety's designated agent as defined in Section 41-12a-802 a record of current motor vehicle registrations for vehicles that are registered under Section 41-1a-221, 41-1a-222, or 41-1a-301.
- (2) The division shall perform the duties specified in:
 - (a) Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program; and
 - (b) Sections 41-1a-109 and 41-1a-110.
- (3) The division shall cooperate with the Department of Public Safety in making rules and developing procedures to use the Uninsured Motorist Identification Database.**

41-1a-110. Authority of [Motor Vehicle] division to suspend or revoke registration, certificate of title, license plate, or permit.

(1) Except as provided in Subsections (3) and (4), the division may suspend or revoke a registration, certificate of title, license plate, or permit if:

(a) the division is satisfied that a registration, certificate of title, license plate, or permit was fraudulently procured or erroneously issued;

(b) the division determines that a registered vehicle is mechanically unfit or unsafe to be operated or moved upon the highways;

(c) a registered vehicle has been dismantled;

(d) the division determines that the required fee has not been paid and the fee is not paid upon reasonable notice and demand;

(e) a registration decal, license plate, or permit is knowingly displayed upon a vehicle other than the one for which issued;

(f) the division determines that the owner has committed any offense under this chapter involving the registration, certificate of title, registration card, license plate, registration decal, or permit; or

(g) the division receives notification by the Department of Transportation that the owner has committed any offence under Title 72, Chapter 9, Motor Carrier Safety Act.

(2)(a) The division shall revoke the registration of a vehicle if the division receives notification by the:

(i) Department of Public Safety that a person:

(A) has been convicted of operating a registered motor vehicle in violation of Section 41-12a-301 or 41-12a-303.2; or

(B) is under an administrative action taken by the Department of Public Safety for operating a registered motor vehicle in violation of Section 41-12a-301; or

(ii) designated agent that the owner of a motor vehicle:

(A) has failed to provide satisfactory proof of owner's or operator's security to the designated agent after the second notice provided under Section 41-12a-804; or

(B) provided a false or fraudulent statement to the designated agent.

(b) The division shall notify the Driver License Division if the division revokes the registration of a vehicle under Subsection (2)(a)(ii)(A).

41-12a-303.2. Evidence of owner's or operator's security to be carried when operating motor vehicle -- Defense -- Penalties.

(1) As used in this section:

(a) "Division" means the Motor Vehicle Division of the State Tax Commission.

(b) "Registration materials" means the evidences of motor vehicle registration, including all registration cards, license plates, temporary permits, and nonresident temporary permits.

(2)(a)(i) **A person operating a motor vehicle shall:**

(A) **have in the person's immediate possession evidence of owner's or operator's security for the motor vehicle the person is operating;** and

(B) **display it upon demand of a peace officer.**

(ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is operating:

(A) a government-owned or leased motor vehicle; or

(B) an employer-owned or leased motor vehicle and is driving it with the employer's permission.

(iii) A person operating a vehicle that is owned by a rental company, as defined in Section 31A-22-311, may comply with Subsection (2)(a)(i) by having in the person's immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section 31A-22-311.

(b) **Evidence of owner's or operator's security includes any one of the following:**

(i) a **copy** of the operator's valid:

(A) **insurance policy;**

(B) **insurance policy declaration page;**

(C) **binder notice;**

(D) **renewal notice;** or

(E) **card issued by an insurance company as evidence of insurance;**

(ii) a **certificate of insurance** issued under Section 41-12a-402;

(iii) a **certified copy of a surety bond** issued under Section 41-12a-405;

(iv) a **certificate of the state treasurer** issued under Section 41-12a-406;

(v) a **certificate of self-funded coverage** issued under Section 41-12a-407; or

(vi) **information that the vehicle or driver is insured from the Uninsured Motorist Identification Database Program created** under Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program.

(c) A card issued by an insurance company as evidence of owner's or operator's security under Subsection (2)(b)(i)(E) on or after July 1, 2014, may not display the owner's or operator's address on the card.

(d)(i) A person may provide to a peace officer evidence of owner's or operator's security described in this Subsection (2) in:

(A) a hard copy format; or

(B) an electronic format using a mobile electronic device.

(ii) If a person provides evidence of owner's or operator's security in an electronic format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing the owner's or operator's security on the mobile electronic device may not view any other content on the mobile electronic device.

(iii) Notwithstanding any other provision under this section, a peace officer is not subject to civil liability or criminal penalties under this section if the peace officer inadvertently views content other than the evidence of owner's or operator's security on the mobile electronic device.

(e)(i) Evidence of owner's or operator's security from the Uninsured Motorist Identification Database Program described under Subsection (2)(b)(vi) supercedes any evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

(ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, information indicates that the vehicle or driver is insured.

(3) It is an affirmative defense to a charge or in an administrative action under this section that the person had owner's or operator's security in effect for the vehicle the person was operating at the time of the person's citation or arrest.

(4)(a) The following are considered proof of owner's or operator's security for purposes of Subsection (3) and Section 41-12a-804:

(i) evidence defined in Subsection (2)(b);

(ii) a written statement from an insurance producer or company verifying that the person had the required motor vehicle insurance coverage on the date specified; or

(iii) a written statement from an insurance producer or company, or provision in an insurance policy, indicating that the policy provides coverage for a newly purchased car and the coverage extended to the date specified.

(b) The court considering a citation issued under this section shall allow the evidence or a written statement under Subsection (4)(a) and a copy of the citation to be electronically submitted or mailed to the clerk of the court to satisfy Subsection (3).

(c) The notice under Section 41-12a-804 shall specify that the written statement under Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to satisfy the proof of owner's or operator's security required under Section 41-12a-804.

(5)(a) A person who is convicted of violating Subsection (2)(a)(i):

(i) is guilty of an infraction for a first offense and subject to a fine of not less than \$400; and

(ii) is guilty of a class C misdemeanor for each offense subsequent to the first offense that is committed within three years after the day on which the person commits the first offense and subject to a fine of not less than \$1,000.

(b) A court may waive up to \$300 of a fine charged under Subsection (5)(a) if the person demonstrates that the owner's or operator's security required under Section 41-12a-301 was obtained after the violation but before sentencing.

(6) Upon receiving notification from a court of a conviction for a violation of this section, the department:

(a) shall suspend the person's driver license; and

(b) may not renew the person's driver license or issue a driver license to the person until the person gives the department proof of owner's or operator's security.

(i) This proof of owner's or operator's security shall be given by any of the ways required under Section 41-12a-401.

(ii) This proof of owner's or operator's security shall be maintained with the department for a three-year period.

(iii) An insurer that provides a certificate of insurance as provided under Section 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination is filed with the department no later than 10 days after termination as required under Section 41-12a-404.

(iv) If a person who has canceled the certificate of insurance applies for a license within three years from the date proof of owner's or operator's security was originally required, the department shall refuse the application unless the person reestablishes proof of owner's or operator's security and maintains the proof for the remainder of the three-year period.